

**ASSEMBLY BILL**

**No. 1559**

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**Introduced by Assembly Member Gordon**

February 22, 2005

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An act to add Chapter 7.2 (commencing with Section 8669) to Division 1 of Title 2 of the Government Code, relating to financing a statewide communications interoperability development program, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1559, as introduced, Gordon. Homeland Security Communications Interoperability Bond Act of 2005.

Existing constitutional and statutory provisions set forth procedures for the issuance of general obligation bonds. Under existing law, the Director of Homeland Security is the state coordinator of all homeland security activities, including strategy, information analysis related to terrorism, and protection of critical infrastructure from terrorism. The Public Safety Radio Strategic Planning Committee is established for the purpose of improving existing public radio systems and to develop interoperability among public safety departments, and between state public safety departments and local or federal entities.

This bill would enact the Homeland Security Communications Interoperability Bond Act of 2005, which, if adopted, would authorize the issuance of bonds in the amount of \$5,000,000,000 pursuant to the State General Obligation Bond Law, for the purposes of financing the acquisition of equipment for, and implementing, a statewide communications interoperability system. The act would continuously

appropriate funds from the sale of the bonds and make these moneys available for the purchase and acquisition of radio interoperability equipment by state and local agencies and for the costs of implementing a statewide communications interoperability system.

The bill would provide for submission of the bond act to the voters at the next statewide election in accordance with specified law.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 7.2 (commencing with Section 8669) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 7.2. HOMELAND SECURITY COMMUNICATIONS  
INTEROPERABILITY BOND ACT OF 2005

Article 1. General Provisions

8669. This chapter shall be known and may be cited as the Homeland Security Communications Interoperability Bond Act of 2005.

8669.1. The Legislature finds and declares all of the following:

(a) The ability of several public safety agencies to communicate with one another from neighboring cities, adjacent counties, and across the state has become more essential since the terrorist attacks on September 11, 2001. The events of September 11th clearly demonstrated the need for law enforcement, firefighters, and emergency medical services personnel to be able to effectively communicate in times of need so resources can be properly utilized and lives can be saved.

(b) Currently in this state, the ability of public safety agencies to communicate with each other is largely not possible because of all the different radio communications systems being utilized by the various public safety agencies. This problem has been examined by the California Statewide Interoperability Executive Committee (CALSIEC), the Public Safety Radio Strategic

1 Planning Committee, and the Legislature. Standards have been  
2 discussed and for the most part agreed to, but the problem of  
3 proper funding has yet to be determined.

4 (c) This act will provide a five billion dollars (\$5,000,000,000)  
5 bond measure to provide funding to public safety agencies  
6 throughout the state for the acquisition of equipment and the  
7 implementation of a communications interoperability system.  
8 This bond measure would authorize CALSIEC in consultation  
9 with the Governor's Office of Homeland Security, and the Public  
10 Safety Radio Strategic Planning Committee to manage and  
11 oversee the implementation of the system and to award funding  
12 based on the needs as determined by CALSIEC.

13 8669.2. As used in this chapter, the following terms have the  
14 following meanings:

15 (a) "Committee" means the Homeland Security Finance  
16 Committee created pursuant to Section 8669.6.

17 (b) "Fund" means the Homeland Security Fund created  
18 pursuant to Section 8669.3.

19 (c) "Joint committee" means the members of the California  
20 Statewide Interoperability Executive Committee (CALSIEC) and  
21 the Public Safety Radio Strategic Planning Committee, with the  
22 Secretary of Homeland Security as the chairperson.

23  
24 Article 2. Statewide Communications Interoperability  
25 Development Program  
26

27 8669.3. (a) The proceeds of bonds issued and sold pursuant  
28 to this chapter shall be deposited in the Homeland Security Fund,  
29 which is hereby created.

30 (b) Notwithstanding Section 13340, moneys in the fund is  
31 continuously appropriated without regard to fiscal years for the  
32 purposes of this chapter and shall be available for allocation by  
33 the joint committee for the purchase and acquisition of radio  
34 interoperability equipment by state and local agencies and for the  
35 costs of implementing a statewide communications  
36 interoperability system.

37 (c) Prior to any funding being issued, the joint committee shall  
38 create a performance standard that ensures interoperability  
39 among state and local public safety agency communication  
40 devices. The performance standard adopted by the joint

1 committee shall incorporate open standards for communication  
2 systems and devices, and provide that those systems and devices  
3 be backward compatible.

4 (d) The joint committee shall be responsible for informing  
5 companies who specialize in manufacturing communications  
6 devices of the performance standards that their equipment  
7 production line will be required to meet.

8 (e) State and local public safety agencies shall be allowed to  
9 maintain current communication systems until the performance  
10 standard is adopted. State and local public safety agencies are  
11 hereby encouraged to purchase equipment after the adoption of a  
12 performance standard that complies with the state and federal  
13 governments' performance standard.

14 (f) Priority for the allocation of funding shall be to "frontline"  
15 public safety agencies. These agencies are the California  
16 Highway Patrol, State Fire agencies, sheriff departments,  
17 municipal police departments, county and city fire departments,  
18 and the Governor's Office of Homeland Security.

19  
20 Article 3. Fiscal Provisions  
21

22 8669.4. Bonds in the total amount of five billion dollars  
23 (\$5,000,000,000), or so much thereof as is necessary, not  
24 including the amount of any refunding bonds, or so much thereof  
25 as is necessary, may be issued and sold to provide a fund to be  
26 used for carrying out the purposes expressed in this chapter and  
27 to reimburse the General Obligation Bond Expense Revolving  
28 Fund pursuant to Section 16724.5. The bonds, when sold, shall  
29 be and constitute a valid and binding obligation of the State of  
30 California, and the full faith and credit of the State of California  
31 is hereby pledged for the punctual payment of both principal of,  
32 and interest on, the bonds as the principal and interest become  
33 due and payable.

34 8669.5. The bonds authorized by this chapter shall be  
35 prepared, executed, issued, sold, paid, and redeemed as provided  
36 in the State General Obligation Bond Law (Chapter 4  
37 (commencing with Section 16720) of Part 3 of Division 4 of Title  
38 2), and all of the provisions of that law, except for the application  
39 of Section 16727, apply to the bonds and to this chapter and are

1 hereby incorporated in this chapter as though set forth in full in  
2 this chapter.

3 8669.6. (a) Solely for the purpose of authorizing the issuance  
4 and sale pursuant to the State General Obligation Bond Law of  
5 the bonds authorized by this chapter, the Homeland Security  
6 Finance Committee is hereby created. For purposes of this  
7 chapter, the Homeland Security Finance Committee is “the  
8 committee” as that term is used in the State General Obligation  
9 Bond Law. The committee consists of the Controller, the  
10 Treasurer, the Director of Finance, the Secretary of Homeland  
11 Security, the Director of the Office of Emergency Services, and  
12 the chairpersons of the California Statewide Interoperability  
13 Executive Committee (CALSIEC) and the Public Safety Radio  
14 Strategic Planning Committee or their designated representatives.  
15 The Secretary of Homeland Security shall serve as the  
16 chairperson of the committee. A majority of the committee may  
17 act for the committee.

18 (b) For purposes of the State General Obligation Bond Law,  
19 the committee is designated the “board.”

20 8669.7. The committee shall determine whether or not it is  
21 necessary or desirable to issue bonds authorized pursuant to this  
22 chapter in order to carry out the actions specified in subdivision  
23 (b) of Section 8669.3 and, if so, the amount of bonds to be issued  
24 and sold. Successive issues of bonds may be authorized and sold  
25 to carry out those actions progressively, and it is not necessary  
26 that all of the bonds authorized to be issued be sold at any one  
27 time.

28 8669.8. There shall be collected each year and in the same  
29 manner and at the same time as other state revenue is collected,  
30 in addition to the ordinary revenues of the state, a sum in an  
31 amount required to pay the principal of, and interest on, the  
32 bonds each year. It is the duty of all officers charged by law with  
33 any duty in regard to the collection of the revenue to do and  
34 perform each and every act that is necessary to collect that  
35 additional sum.

36 8669.9. Notwithstanding Section 13340, there is hereby  
37 appropriated from the General Fund in the State Treasury, for the  
38 purposes of this chapter, an amount that will equal the total of the  
39 following:

1 (a) The sum annually necessary to pay the principal of, and  
2 interest on, bonds issued and sold pursuant to this chapter, as the  
3 principal and interest become due and payable.

4 (b) The sum necessary to carry out Section 8669.10,  
5 appropriated without regard to fiscal years.

6 8669.10. For the purposes of carrying out this chapter, the  
7 Director of Finance may authorize the withdrawal from the  
8 General Fund of an amount not to exceed the amount of the  
9 unsold bonds that have been authorized by the committee to be  
10 sold for the purpose of carrying out this chapter. Any amounts  
11 withdrawn shall be deposited in the fund. Any money made  
12 available under this section shall be returned to the General Fund  
13 from proceeds received from the sale of bonds for the purpose of  
14 carrying out this chapter.

15 8669.11. All money deposited in the fund that is derived from  
16 premium and accrued interest on bonds sold shall be reserved in  
17 the fund and shall be available for transfer to the General Fund as  
18 a credit to expenditures for bond interest.

19 8669.12. Pursuant to Chapter 4 (commencing with Section  
20 16720) of Part 3 of Division 4 of Title 2, the cost of bond  
21 issuance shall be paid out of the bond proceeds. These costs shall  
22 be shared proportionally by each program funded through this  
23 bond act.

24 8669.13. The board may request the Pooled Money  
25 Investment Board to make a loan from the Pooled Money  
26 Investment Account, including other authorized forms of interim  
27 financing that include, but are not limited to, commercial paper,  
28 in accordance with Section 16312, for purposes of carrying out  
29 this chapter. The amount of the request shall not exceed the  
30 amount of the unsold bonds that the committee, by resolution,  
31 has authorized to be sold for the purpose of carrying out this  
32 chapter. The board shall execute any documents required by the  
33 Pooled Money Investment Board to obtain and repay the loan.  
34 Any amounts loaned shall be deposited in the fund to be  
35 allocated by the board in accordance with this chapter.

36 8669.14. The bonds may be refunded in accordance with  
37 Article 6 (commencing with Section 16780) of Chapter 4 of Part  
38 3 of Division 4 of Title 2, which is a part of the State General  
39 Obligation Bond Law. Approval by the voters of the state for the  
40 issuance of the bonds described in this chapter includes the

1 approval of the issuance of any bonds issued to refund any bonds  
2 originally issued under this chapter or any previously issued  
3 refunding bonds.

4 8669.15. Notwithstanding any other provision of this chapter,  
5 or of the State General Obligation Bond Law, if the Treasurer  
6 sells bonds pursuant to this chapter that include a bond counsel  
7 opinion to the effect that the interest on the bonds is excluded  
8 from gross income for federal tax purposes, subject to designated  
9 conditions, the Treasurer may maintain separate accounts for the  
10 investment of bond proceeds and for the investment of earnings  
11 on those proceeds. The Treasurer may use or direct the use of  
12 those proceeds or earnings to pay any rebate, penalty, or other  
13 payment required under federal law or take any other action with  
14 respect to the investment and use of those bond proceeds  
15 required or desirable under federal law to maintain the tax  
16 exempt status of those bonds and to obtain any other advantage  
17 under federal law on behalf of the funds of this state.

18 8669.16. The Legislature hereby finds and declares that,  
19 inasmuch as the proceeds from the sale of bonds authorized by  
20 this chapter are not “proceeds of taxes” as that term is used in  
21 Article XIII B of the California Constitution, the disbursement of  
22 these proceeds is not subject to the limitations imposed by that  
23 article.

24 SEC. 2. Section 1 of this act shall take effect upon the  
25 approval by the voters of the Homeland Security  
26 Communications Interoperability Bond Act of 2005, as set forth  
27 in Section 1 of this act.

28 SEC. 3. Section 1 of this act shall be submitted to the voters at  
29 the next statewide election in accordance with provisions of the  
30 Government Code and the Elections Code governing the  
31 submission of a statewide measure to the voters.

32 SEC. 4. The provisions of this act are severable. If any  
33 provision of this act or its application is held invalid, that  
34 invalidity shall not affect other provisions or applications that can  
35 be given effect without the invalid provision or application.

36 SEC. 5. This act is an urgency statute necessary for the  
37 immediate preservation of the public peace, health, or safety  
38 within the meaning of Article IV of the Constitution and shall go  
39 into immediate effect. The facts constituting the necessity are:

1 In order to establish a statewide communications  
2 interoperability system, thereby protecting public health and  
3 safety, it is necessary that this act take effect immediately.

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